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ATTORNEY GENERAL OF NEW JERSEY

FILED

OCT - 8 1998

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BOARD OF PHARMACY

STATE OF NEW JERSEY  
DEPARTMENT OF LAW AND PUBLIC SAFETY  
DIVISION OF CONSUMER AFFAIRS  
STATE BOARD OF PHARMACY

IN THE MATTER OF THE SUSPENSION	:	Administrative Action
OR REVOCATION OF THE LICENSE OF	:	
	:	
PHILIP AZU, R.P.	:	
	:	PROVISIONAL ORDER OF
TO PRACTICE PHARMACY IN THE	:	DISCIPLINE
STATE OF NEW JERSEY	:	
	:	

This matter was opened to the New Jersey State Board of Pharmacy upon receipt of information which the Board has reviewed and on which the following preliminary findings of fact and conclusions of law are made:

FINDINGS OF FACT

1. Respondent is a pharmacist in the State of New Jersey and has been a licensee at all times relevant hereto.

2. On June 22, 1998 respondent was convicted of the crimes of money laundering, wire fraud, and conspiracy to engage in wholesale distribution of prescription drugs without a license. Specifically over more than a two year period, the defendant dispensed prescription drugs on the basis of false prescription slips and

billed Medicaid and bought prescription drugs in huge numbers on the black market, dispensed them, and billed Medicaid, the latter alone causing a loss to Medicaid of more than \$2,000.000. (Copy of the Judgment of Conviction is annexed hereto and made a part hereof).

3. The following sentence was ordered: 108 months incarceration and thereafter 3 years supervised release, on the condition that respondent refrains from practicing pharmacy or administering the business of a pharmacy during the 3 year period.

#### CONCLUSIONS OF LAW

1. The above conviction provides grounds for the suspension of his license to practice pharmacy in New Jersey pursuant to N.J.S.A. 45:1-21(f), in that the crime of which respondent was convicted is one of moral turpitude and/or relates adversely to the practice of pharmacy.

ACCORDINGLY, IT IS ON THIS *8th* DAY OF *October*, 1998,  
ORDERED that:

1. Respondent's license to practice pharmacy in the State of New Jersey is hereby revoked.

2. The within Order shall be subject to finalization by the Board at 5:00 p.m. on the 30th business day following entry hereof unless respondent requests a modification or dismissal of the above Findings of Fact or Conclusions of Law by:

a) Submitting a written request for modification or dismissal to Lee H. Gladstein, R.P., Executive Director, State Board of Pharmacy, 124 Halsey Street, 6th Floor, Newark, New Jersey 07101.


b) Setting forth in writing any and all reasons why said findings and conclusions should be modified or dismissed.

c) Submitting any and all documents or other written evidence supporting respondent's request for consideration and reasons therefor.

4. Any submissions will be reviewed by the Board, and the Board will thereafter determine whether further proceedings are necessary. If no material discrepancies are raised through a supplemental submission during the thirty-day period or if the Board is not persuaded that submitted materials merit further consideration, a Final Order of Discipline will be entered.

5. In the event that respondent's submissions establish a need for further proceedings including but not limited to, an evidentiary hearing, respondent shall be notified with regard thereto. In the event that an evidentiary hearing is ordered, the preliminary findings of fact and conclusions of law contained herein shall serve as notice of the factual and legal allegations in such proceeding.

STATE BOARD OF PHARMACY

By:  RPh  
Richard A. Palombo, R.P., President

# United States District Court

District of NEW JERSEY

UNITED STATES OF AMERICA

V.

PHILIP AZU

(Name of Defendant)

## JUDGMENT IN A CRIMINAL CASE (For Offenses Committed On or After November 1, 1987)

Case Number: Cr. 96-673 (06)

Raymond Flood, Esq.

Defendant's Attorney

### THE DEFENDANT:

- ☐ pleaded guilty to count(s) \_\_\_\_\_  
☒ was found guilty on count(s) 1 thru 16 of 3rd Superseding indictment on after a plea of not guilty. 6/22/98

Accordingly, the defendant is adjudged guilty of such count(s), which involve the following offenses:

Title & Section	Nature of Offense	Date Offense Concluded	Count Number(s)
18:371	Conspiracy to Engage in Wholesale Distribution of Prescription Drugs Without a License	11/9/95	1
18:1343 & 2	Wire Fraud	7/21/95	2 - 5
18:1956(a)(1)(A)(i) & 2	Money Laundering	11/27/95	6 - 10
18:1957 & 2	Money Laundering	2/19/96	11 - 16

The defendant is sentenced as provided in pages 2 through 5 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

- ☐ The defendant has been found not guilty on count(s) \_\_\_\_\_ and is discharged as to such count(s).  
☐ Count(s) \_\_\_\_\_ (is)(are) dismissed on the motion of the United States.  
☒ It is ordered that the defendant shall pay a special assessment of \$ 900.00 for count(s) 1 thru 16, which shall be due ☒ immediately ☐ as follows:

IT IS FURTHER ORDERED that the defendant shall notify the United States attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid.

Defendant's Soc. Sec. No.: 490-84-5245

Defendant's Date of Birth: 3/10/57

Defendant's Mailing Address:

2836 Debra Way

Union, New Jersey 07083

Defendant's Residence Address:

September 14, 1998

Date of Imposition of Sentence

Signature of Judicial Officer

Maryanne Trump Barry, U.S.D.J.

Name & Title of Judicial Officer

Date

SEP 18 1998

AT 8:30

WILLIAM T. WALSH  
CLERK

Defendant: PHILIP AZU  
Case Number: Cr. 96-673 (06)

Judgment—Page 2 of 5**IMPRISONMENT**

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a term of One hundred and eight (108) months on Counts 6 through 16, and  
sixty (60) months on each of Counts 1 through 5, all such terms to  
run concurrently.

☒ The court makes the following recommendations to the Bureau of Prisons:

Designate FCI, Allenwood, Pa. or FCI, Ft. Dix, N.J. for service of  
custodial part of sentence.

☒ The defendant is remanded to the custody of the United States marshal.  
☐ The defendant shall surrender to the United States marshal for this district,

☐ at \_\_\_\_\_ a.m.  
\_\_\_\_\_ p.m. on \_\_\_\_\_.

☐ as notified by the United States marshal.

☐ The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons,

☐ before 2 p.m. on \_\_\_\_\_.

☐ as notified by the United States marshal.

☐ as notified by the probation office.

**RETURN**

I have executed this judgment as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Defendant delivered on \_\_\_\_\_ to \_\_\_\_\_ at

\_\_\_\_\_, with a certified copy of this judgment.

\_\_\_\_\_  
United States Marshal

By \_\_\_\_\_  
Deputy Marshal

Defendant: PHILIP AZU  
Case Number: Cr. 96-673 (06)

Judgment—Page 3 of 5

### SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of \_\_\_\_\_  
Three (3) years on each of Counts 1 through 16, all such terms to  
run concurrently.

While on supervised release, the defendant shall not commit another federal, state, or local crime and shall not illegally possess a controlled substance. The defendant shall comply with the standard conditions that have been adopted by this court (set forth below). If this judgment imposes a restitution obligation, it shall be a condition of supervised release that the defendant pay any such restitution that remains unpaid at the commencement of the term of supervised release. The defendant shall comply with the following additional conditions:

☒ The defendant shall report in person to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.

☐ The defendant shall pay any fines that remain unpaid at the commencement of the term of supervised release.

☒ The defendant shall not possess a firearm or destructive device.

The defendant must submit to one drug test within 15 days of commencement of supervised release and at least two tests thereafter as determined by the probation officer.

The defendant shall provide the U.S. Probation Office with full disclosure of his financial records to include yearly income tax returns upon the request of the U.S. Probation Office. The defendant shall cooperate with the probation officer in the investigation of his financial dealings and shall provide truthful monthly statements of his income.

As a further special condition of supervised release, the defendant is to refrain from obtaining employment as a pharmacist and/or working in an administrative capacity in a pharmacy.

### STANDARD CONDITIONS OF SUPERVISION

While the defendant is on supervised release pursuant to this judgment, the defendant shall not commit another federal, state or local crime. In addition:

- 1) the defendant shall not leave the judicial district without the permission of the court or probation officer;
- 2) the defendant shall report to the probation officer as directed by the court or probation officer and shall submit a truthful and complete written report within the first five days of each month;
- 3) the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 4) the defendant shall support his or her dependents and meet other family responsibilities;
- 5) the defendant shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons;
- 6) the defendant shall notify the probation officer within 72 hours of any change in residence or employment;
- 7) the defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any narcotic or other controlled substance, or any paraphernalia related to such substances, except as prescribed by a physician;
- 8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- 9) the defendant shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer;
- 10) the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view by the probation officer;
- 11) the defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer;
- 12) the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court;
- 13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics, and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

RESTITUTION AND FORFEITURE

RESTITUTION

☒ The defendant shall make restitution to the following persons in the following amounts:

<u>Name of Payee</u>	<u>Amount of Restitution</u>
Division of Medical Assistance & Health Services P.O. Box 712, Mail Code #6 Trenton, New Jersey 08625-0712  Attn: Mary Jane Skrajewski	\$500,000.

Payments of restitution are to be made to:

- ☐ the United States Attorney for transfer to the payee(s).  
☒ the payee(s).

Restitution shall be paid:

- ☐ in full immediately.  
☐ in full not later than \_\_\_\_\_.  
☐ in equal monthly installments over a period of \_\_\_\_\_ months. The first payment is due on the date of this judgment. Subsequent payments are due monthly thereafter.  
☐ in installments according to the following schedule of payments:

The restitution shall be due immediately. It is recommended that the defendant participate in the Bureau of Prisons Inmate Financial Responsibility Program. In the event the entire amount of restitution is not paid prior to the commencement of supervision, the U.S. Probation Officer shall pursue collection of the amount due and shall request the Court to establish a payment schedule, if appropriate.

Any payment shall be divided proportionately among the payees named unless otherwise specified here.

FORFEITURE

☐ The defendant is ordered to forfeit the following property to the United States:

## STATEMENT OF REASONS

☒ The court adopts the factual findings and guideline application in the presentence report.

OR

☐ The court adopts the factual findings and guideline application in the presentence report except (see attachment, if necessary):

## Guideline Range Determined by the Court:

Total Offense Level: 31Criminal History Category: IImprisonment Range: 108 to 135 monthsSupervised Release Range: 2 to 3 yearsFine Range: \$ 15,000.00 to \$ 500,000.00

☒ Fine is waived or is below the guideline range, because of the defendant's inability to pay.

Restitution: \$ 500,000.00

☒ Full restitution is not ordered for the following reason(s):

Defendant's inability to pay.

☐ The sentence is within the guideline range, that range does not exceed 24 months, and the court finds no reason to depart from the sentence called for by application of the guidelines.

OR

☒ The sentence is within the guideline range, that range exceeds 24 months, and the sentence is imposed for the following reasons(s):

Over more than a two year period, the defendant dispensed prescription drugs on the basis of false prescription slips and billed Medicaid and bought prescription drugs in huge numbers on the black market, dispensed them, and billed Medicaid, the latter alone causing a loss to Medicaid of more than \$2,000,000.

OR

The sentence departs from the guideline range

upon motion of the government, as a result of defendant's substantial assistance.

☐ for the following reasons(s):

Certified as a true copy on

This Date: 9/24/99By: Ernie Vanhook

) Clerk

) Deputy